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# HOMEOWNERS TOLD TO TOUGHEN UP

Galway homeowners need to "get tough" with the banks as the market hardens.

That's according to Trevor Grant of Select Finance Group, who says that mortgage holders need to be informed and able to talk tough to get the most value out of their financial institution.

According to Mr Grant, many lenders are offering expensive rates to customers maturing from fixed or discounted rates. Homeholders are encouraged to look at alternatives and not assume that the credit crunch will prevent them from transferring their loan to another bank.

Lenders are often keen to get people off tracker mortgages, so when existing tracker rate customers apply for a top-up, they may decline the top-up in the hope that the client will move the entire mortgage elsewhere. Alternatively, they may use the opportunity to switch the entire loan to a 'standard' rate contract. Mr Grant warns that it is vital that mortgage holders know their options and don't simply accept this.

"With so many homeowners coming under financial pressure, it is imperative that they address their monetary issues prior to falling into arrears, either by contacting their lender or by talking with a mortgage broker and by looking at all the options – there are opportunities to switch for better deals, negotiate lower rates, and / or seek an interest only option for a specified period or even a payment moratorium," he explains.

"Also, with many buy-to-let mortgages now coming to the end of their interest only periods, some lenders are reluctant to

extend the interest only term and borrowers are being asked to start making capital payments. Rental income is generally falling and so investors are coming under major pressure. So if you, as an investor, cannot afford to make capital payments, tell your lender and "play hardball" with them if necessary."